

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: David Sykes

SUBJECT: SEE BELOW

DATE: March 18, 2013

Approved



Date

3/22/13

COUNCIL DISTRICT: 6

**SUBJECT: FIRST AMENDMENT TO MASTER AGREEMENT WITH CH2M HILL,
INC. FOR VARIOUS CITY TRAIL PROJECTS**

RECOMMENDATION

Approve the first amendment to the master agreement with CH2M HILL, Inc. for engineering services for various City trail projects increasing the total compensation by \$500,000 for a total agreement amount of \$2,500,000, and extending the term of the agreement to January 31, 2016, in order to provide services for the Three Creeks Trail Pedestrian Bridge project.

OUTCOME

Approval of the first amendment to the subject agreement will allow the City to execute a service order to proceed with the development of the Three Creeks Trail Pedestrian Bridge project which is eligible for reimbursement through grants from the Santa Clara Valley Water District and the State of California. Both grants have a deadline in 2015 and amendment of the master agreement permits development work to proceed as quickly as possible.

BACKGROUND

The Three Creeks Trail is located along a former railroad corridor and will extend from Lonus Street (Los Gatos Creek Trail) to Coyote Creek Trail. The route includes linkage to the future Guadalupe River Trail and existing Highway 87 Bikeway. It was identified in the City's *Greenprint for Parks and Community Facilities and Programs (Greenprint)* in September 2000 and continues to be referenced in the Greenprint's 2009 update. The City's General Plan (Envision 2040) recognizes the trail system as part of the 100-mile interconnected trail network.

Currently, interim public access is permitted along most of the corridor between Lonus Street and Minnesota Avenue. However there is an existing and deteriorated railroad trestle over Los

March 18, 2013

Subject: Agreement Amendment with CH2M Hill, Inc.

Page 2

Gatos Creek (between Lonus Street and Coe Avenue) which has been fenced off and no public passage is permitted.

On March 26, 2013, in a separate item for Council consideration, staff is recommending that State and Santa Clara Valley Water District grant funding in the amount of \$1,650,000 be pursued and added to the Three Creeks Trail Pedestrian Bridge development project. The staff report for that item discusses that the deteriorated wood trestle will require increased maintenance as the original timbers continue to decompose. Based on an engineering study completed by CH2M Hill in October 2012, the recommended project alternative is the removal and replacement of the trestle with a steel pedestrian bridge as it represents the best return on investment for the City.

ANALYSIS

On January 27, 2009, Council awarded a Master Agreement for Engineering Services for Various Trail Projects in the amount of \$2,000,000 to CH2M HILL, Inc. To date, seven (7) Service Orders (SO) have been issued to CH2M HILL pursuant to this agreement for various trail projects for a total of \$1,896,820 leaving a balance of \$103,180. There is an additional service order pending which will use the balance remaining leaving no funding in the master agreement.

Through the master agreement, CH2M HILL already has acquired important knowledge and information about the Three Creeks Trail Pedestrian Bridge project. One of the above mentioned Service Orders in the amount of \$120,600 was for CH2M HILL to provide the engineering study discussed above.

The estimate for the consultant fees for the preparation of construction documents for the replacement of the existing bridge, trail approaches to the bridge, abutments and retaining walls; the environmental clearance documentation; the permit applications; and assistance with bid and construction management is \$486,000. Staff reviewed this estimate, compared it with past trail bridge projects prepared by consultants, and finds it to be within the acceptable range for a project of this magnitude.

City procurement requirements generally require staff to undertake a new competitive process to acquire the services of a consultant once a master agreement's maximum compensation is exhausted and/or the term of the master agreement has expired. An exception has been when, through previous work performed by a consultant, the consultant has acquired useful knowledge and information regarding a particular project. In such cases, master agreements have been amended to add additional compensation and/or to extend the term so that the consultant can perform services on the particular project.

Staff recommends amending the January 27, 2009 master agreement with CH2M HILL to increase the total compensation by \$500,000 and extending the term to January 31, 2016 without going through a new competitive process. CH2M HILL has acquired significant information and knowledge about the Three Creeks Trail Pedestrian Bridge project as a result of previous work it has performed under the master agreement. The additional funds would be used exclusively for the Three Creeks Trail Pedestrian Bridge project. The additional funds would enable the City to move forward with the preparation of the environmental clearance documents, permits and construction documents, and assistance with bid and construction management for the Three Creeks Trail Pedestrian Bridge project. This would enable the City to start work immediately and thereby meet the project's grant completion deadlines. By the time the City were to proceed with a new competitive process to select a consultant for the work and the selected consultant were to acquire the knowledge and information that CH2M HILL already possess about the Project, the grant deadlines could not be met.

Existing partial funding for the Three Creeks Trail Pedestrian Bridge project is sufficient for CH2M HILL to do all described work except bid/construction assistance which will depend on successful pursuit of grant funding for the whole project.

EVALUATION AND FOLLOW-UP

This first amendment to the master agreement will provide staff with the ability to engage the services of CH2M HILL, Inc. for the Three Creeks Pedestrian Bridge project, thereby enabling the delivery of this project in time to meet the grant deadlines.

It is anticipated that the environmental clearance and construction documents will be completed and all permits obtained by late winter 2014. Staff would be seeking Council's approval for an award of a construction contract by early spring of 2014. The permits will likely limit the construction to occur between June and October; therefore, in order to meet the completion date of June 2015, construction must occur during the summer of 2014.

PUBLIC OUTREACH/INTEREST

- X Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- ☐ **Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- ☐ **Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by

staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This memorandum meets Criterion 1 above; and will be posted to the City's website for the April 9, 2013, Council agenda.

COORDINATION

This memorandum has been coordinated with the Departments of Planning, Building and Code Enforcement, Parks, Recreation and Neighborhood Services, City Manager's Budget Office and the City Attorney's Office.

FISCAL/POLICY ALIGNMENT

This project is consistent with the Council-approved Budget Strategy Economic Recovery section and makes use of grant funding to spur construction. Additionally, the project is consistent with the Greenprint objective and Mayor's Green Vision of delivering a 100-mile Trail Network.

POLICY ALTERNATIVES

Alternative #1: Use of City staff for design services.

Pros: Design work could be accomplished by City staff.

Cons: Staff does not possess the appropriate technical capability across the broad range of required expertise to forego outside assistance.

Reason for not recommending: Reliance on City resources would jeopardize the delivery of this project in time to meet the grant deadlines.

Alternative #2: Pursue a new consultant selection process and enter into a new agreement with the top ranked firm.

Pros: Provides opportunity for greater private sector participation in project development.

Cons: The consultant selection process requires approximately 6 months to complete. Because of the grant completion deadlines, the City needs to start work on the project immediately.

Reason for not recommending: Pursuing a new consultant would jeopardize the delivery of this project in time to meet grant deadlines.

COST IMPLICATIONS

No funding is needed to approve the first amendment to the master agreement as funds are already included in the specific project budgets.

HONORABLE MAYOR AND CITY COUNCIL

March 18, 2013

Subject: Agreement Amendment with CH2M Hill, Inc.

Page 5

CEQA

Not a project, File No. PP10-066(d), consultant services.

/s/

DAVID SYKES
Director of Public Works

For questions please contact Barry Ng, Deputy Director, at 408-535-8300.